

## **MINUTES**

### **MONTANA SENATE 59th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON FINANCE AND CLAIMS**

**Call to Order:** By **CHAIRMAN MIKE COONEY**, on December 15, 2005 at 10:45 A.M., in Room 317 Capitol.

#### **ROLL CALL**

**Members Present:**

Sen. Mike Cooney, Chairman (D)  
Sen. Keith Bales (R)  
Sen. Gregory D. Barkus (R)  
Sen. John Brueggeman (R)  
Sen. John Cobb (R)  
Sen. John Esp (R)  
Sen. Steven Gallus (D)  
Sen. Ken (Kim) Hansen (D)  
Sen. Bob Hawks (D)  
Sen. Bob Keenan (R)  
Sen. Rick Laible (R)  
Sen. Lane L. Larson (D)  
Sen. Greg Lind (D)  
Sen. Don Ryan (D)  
Sen. Trudi Schmidt (D)  
Sen. Corey Stapleton (R)  
Sen. Jon Tester (D)  
Sen. Dan Weinberg (D)  
Sen. Carol Williams (D)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Prudence Gildroy, Committee Secretary  
Taryn Purdy, Legislative Branch

**Audio Committees:** These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

**Committee Business Summary:**

Hearing & Date Posted: HB 1, 12/15/2005; HB 5, 12/14/2005

Executive Action: HB 1; HB 5

00:00:00

**HEARING ON HB 5**

00:02:02

**Opening Statement by Sponsor:**

**REP. ROSALIE (ROSIE) BUZZAS (D)**, HD 93, opened the hearing on **HB 5**, Feed bill.

**Proponents' Testimony:** None.

**Opponents' Testimony:** None.

**Informational Testimony:**

**Lois Menzies, Legislative Services Division**, further explained the bill.

**EXHIBIT**(fcs02a01)

**Questions from Committee Members and Responses:**

00:07:02

**SEN. RICK LAIBLE** inquired if the funds left over from the last session reverted. **Ms. Menzies** replied those funds are for startup costs in the next session, can be reverted, or reverted to the IT account. **REP. LAIBLE** asked a followup question.

**Closing by Sponsor:**

**REP. BUZZAS** closed on the bill.

**HEARING ON HB 1**

00:10:09

**Opening Statement by Sponsor:**

**REP. DAVID WANZENRIED (D)**, HD 97, opened the hearing on **HB 1**, Appropriate funds for schools, TRS, and PERS.

**Proponents' Testimony:**

00:20:56

**David Ewer, Budget Director**

00:28:26

**Linda McCulloch, Montana Superintendent of Schools**

00:31:13

**Eric Burke, MEA-MFT**

00:33:49

**REP. JONATHAN WINDY BOY (also Tribal Councilman for Chippewa Cree Tribe)**

00:36:07

**Tom Altmaier, Montana Retired Educators Association**

[EXHIBIT](#)(fcs02a02)

00:37:52

**David Senn, Teacher's Retirement Board**

00:40:09

**Steve Gettel, Montana School for the Deaf and Blind**

00:42:57

**Leo Berry, Association of Montana Retired Public Employees**

00:43:26

**Claudia Clifford, AARP Montana**

**Opponents' Testimony:** None.

**Informational Testimony:**

00:45:18

**Kelly Jenkins, Montana Public Employee Retirement Administration**

[EXHIBIT](#)(fcs02a03)

[EXHIBIT](#)(fcs02a04)

00:50:26

**Tom O'Connell, State Architect**

**Questions from Committee Members and Responses:**

00:51:00

**SEN. JOHN ESP** asked **Mr. Ewer** about the unfunded liability in the PERS and TRS funds and how they compare to one another.

**SEN. ESP** asked a followup question on how the split was done.

00:54:06

**SEN. BOB KEENAN** asked **Mr. Burke** about the status of the statewide health insurance plan.

**SEN. KEENAN** asked if that plan will have support from the administration in the next session.

00:55:37

**SEN. RICK LAIBLE** asked **Mr. Ewer** about weatherization, deferred maintenance funding and the inventory cost.

01:00:25

**SEN. LAIBLE** followed up with a comment and question. He asked **Mr. Ewer** about support for the amendments of **Superintendent McCulloch**.

01:04:35

**SEN. LAIBLE** asked a question of **Superintendent McCulloch** about the funding to her office for the curriculum for Indian Education for All. **Superintendent McCulloch** replied and handed out information to the committee.

**EXHIBIT(fcs02a05)**

01:10:35

**SEN. LAIBLE** followed up with a question about the content of the curriculum and if there are goals for what to accomplish by this program.

01:13:06

**SEN. LAIBLE** asked about performance goals or standards.

01:15:35

**SEN. BOB HAWKS** asked about the \$75,000 for the achievement gap study and the parameters of the study.

01:18:14

**SEN. HAWKS** asked if the \$75,000 will buy a consultant who will study this and if there are examples of programs that will benefit Montana from outside of Montana.

01:20:08

**SEN. BOB KEENAN** asked **Mr. Ewer** about SB 148.

01:23:49

**SEN. GREG BARKUS** asked **Mr. Senn** about the unfunded pension liability and the current return rate that is being used for the actuarial studies.

01:25:44

**SEN. BARKUS** asked about the employer contribution increase and what that would cost annually.

01:28:11

**SEN. BARKUS** asked **Mr. Ewer** about his opposition to a reduction in benefits and about change to the allowable retirement age.

01:34:24

**SEN. BARKUS** redirected his question to **Mr. Jenkins**.

**Closing by Sponsor:**

01:37:09

**REP. WANZENRIED** closed on the bill. He stated an objection for the record that an informational witness sounded like an opponent to the bill.

**EXECUTIVE ACTION ON HB 1**

01:41:17

**Motion:** **SEN. GALLUS** moved that HB 1 BE CONCURRED IN.

**Motion:** **SEN. RYAN** moved that HB000118.AEM BE ADOPTED.

**EXHIBIT**(fcs02a06)

**SEN. RYAN** explained his amendment.

**Discussion:**

01:45:09

**SEN. LAIBLE** asked about the \$1 million for weatherization.

01:45:49

**SEN. LAIBLE** asked about money for the Gifted and Talented Program.

01:46:41

**SEN. LAIBLE** wondered how a school district could determine that special needs included gifted and talented.

**Vote:** Motion that HB000118.AEM be adopted failed 7-12 by voice vote with **SEN. BALES**, **SEN. BARKUS**, **SEN. BRUEGGEMAN**, **SEN. BALES**, **SEN. ESP**, **SEN. KEENAN**, AND **SEN. STAPLETON** voting no.

01:49:04

**SEN. JOHN COBB** had a conceptual motion for an effective date on passage and approval.

**SEN. TESTER** spoke in favor of the amendment.

**Motion/Vote:** **SEN. COBB** moved **CONCEPTUAL AMENDMENT FOR AN IMMEDIATE EFFECTIVE DATE**. Motion carried 19-0 by voice vote.

**Motion:** **SEN. COBB** moved a **CONCEPTUAL AMENDMENT TO INSERT SECTION (2) ON PAGE 2, LINE 28**.

**SEN. BARKUS** asked if retention of the money for a maximum of three years would begin now and if districts have projects ready to go.

**SEN. LAIBLE** asked about further amendments for effective dates.

01:53:26

**SEN. TESTER** commented on the amendment.

**SEN. DAN WEINBERG** asked **SEN. COBB** if he was aware of the reason for setting the dates for July 1 instead of upon passage.

**SEN. TESTER** indicated they talked about this in interim committee.

01:56:11

**CHAIRMAN COONEY** asked **Taryn Purdy** to discuss the issue and her concern that the three years were fiscal years.

**SEN. COBB** asked to amend his motion to change the three years to four years.

**SEN. TESTER** raised a concern about doing that. He asked that **Mr. Ewer** be allowed to comment. **SEN. COREY STAPLETON** objected.

**SEN. COBB** explained his conceptual amendment would insert Section (2) on page 2, line 28. On page 2, line 1, it would strike (3) and insert (4).

**SEN. GALLUS** expressed confusion about the objection to testimony from **Mr. Ewer**.

**SEN. TRUDY SCHMIDT** moved to segregate the motion.

**SEN. LAIBLE** questioned whether there could be a cash flow problem.

02:01:53

**SEN. LAIBLE** asked **SEN. COBB** about amending his amendment.

02:03:10

**SEN. WEINBERG** expressed concern about connecting revenue with expenditures. He thought it ill-advised to make this change.

**Vote:** Motion failed 4-15 by roll call vote with **SEN. BALES**, **SEN. BRUEGGEMAN**, **SEN. COBB**, and **SEN. KEENAN** voting aye.

**SEN. COBB** withdrew the second part of his amendment.

02:07:08

**Motion:** **SEN. WILLIAMS** moved that HB000115.AEM BE ADOPTED.

**EXHIBIT**(fcs02a07)

**Discussion:**

02:08:28

**SEN. KEITH BALES** asked **SEN. WILLIAMS** about the effective date.

**SEN. TESTER** commented that with the adoption of the amendment the effective date was changed.

**Vote:** Motion carried 14-4 with **SEN. ESP**, **SEN. HAWKS**, **SEN. KEENAN**, and **SEN. STAPLETON** voting no.

02:10:24

**Motion:** **SEN. TESTER** moved that HB000103.AGP BE ADOPTED.

**EXHIBIT**(fcs02a08)

**SEN. TESTER** explained the amendment.

**Discussion:**

**CHAIRMAN COONEY** asked a question of **SEN. TESTER**.

**SEN. ESP** spoke in support of the amendment.

**Vote:** Motion carried unanimously by voice vote.

**Motion:** **SEN. COBB** moved that a CONCEPTUAL AMENDMENT to amend page 2, lines 18 and 19 BE ADOPTED.

**Discussion:**

02:14:36

**SEN. LAIBLE** questioned **SEN. COBB** about his amendment.

02:15:09

**SEN. TESTER** asked when the \$50 million kicks in. **SEN. TESTER** followed up on his question.

**SEN. COBB** modified his amendment to June 30, 2007 instead of March 1.

**Motion:** **SEN. COBB** moved a **CONCEPTUAL AMENDMENT** for \$50 million general fund in TRS on June 30, 2007 **BE ADOPTED**.

**SEN. LAIBLE** suggested May 1.

**Vote:** Motion failed 7-12 by roll call vote with **SEN. BALES**, **SEN. BARKUS**, **SEN. BRUEGGEMAN**, **SEN. COBB**, **SEN. ESP**, **SEN. LAIBLE**, and **SEN. TESTER** voting aye.

**Motion/Vote:** **SEN. COBB** moved that **HB 1** **BE CONCURRED IN AS AMENDED**. Motion carried 11-8 by roll call vote with **SEN. BALES**, **SEN. BARKUS**, **SEN. BRUEGGEMAN**, **SEN. COBB**, **SEN. ESP**, **SEN. KEENAN**, **SEN. LAIBLE** and **SEN. STAPLETON** voting no. **SEN. RYAN** voted aye by proxy.

02:19:59

recess



**ADJOURNMENT**

Adjournment: 1:04 P.M.

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SEN. MIKE COONEY, Chairman

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PRUDENCE GILDROY, Secretary

MC/pg

Additional Exhibits:

**EXHIBIT ([fcs02aad0.PDF](#))**